GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:39
ANSWERED ON:19.07.2016
Increase in MSP for Paddy
Pal Shri Jagdambika;Puttaraju Shri C.S.

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Union Government has worked out any plan to increase the Minimum Support Price (MSP) for paddy and formulated a relief package for the sugar industry/sugarcane farmers so as to tackle farm distress and if so, the details thereof; and

(b) the extent to which MSP for paddy is likely to be increased and the farmers benefited towards getting adequate remunerative prices for their produce?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
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(a) & (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA STARRED QUESTION NO. 39 DUE FOR REPLY ON 19TH JULY, 2016.

(a) & (b): The Minimum Support Price (MSP) of paddy (common) for 2016-17 has been increased by Rs. 60 per quintal over its MSP for 2015 - 16 and fixed at Rs. 1470 per quintal. The MSP of paddy Grade A has also been raised by Rs. 60 per quintal over its MSP for 2015-16 and fixed at Rs. 1510 per quintal for 2016-17.

The objective of the MSP is to ensure remunerative prices to farmers. However farmers are free to sell their produce to Government procurement agencies or in the open market as is advantageous to them.

Government had taken a number of initiatives to provide relief to the sugar industry/sugarcane farmers which, inter alia, include incentive on sugar export for evacuation of excess stocks in the country, soft loan to improve the liquidity position of the sugar mills enabling them to clear cane price arrears, enhancing Ethanol Blending Programme (EBP) from 5% to 10% and facilitating sugar mills for supply of ethanol to the Oil Marketing Companies (OMCs) under EBP, providing production subsidy to offset cane cost for timely payment of cane dues of farmers etc. These initiatives have helped in reducing the cane price arrears of farmers for sugar season 2014-15 from Rs. 22,000 crore around March-April, 2015 to Rs. 648 crore as on 14th July, 2016. During the current sugar season 2015-16, the sugar mills have already cleared about 93% of their cane dues payable to the farmers.

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